

August 27, 1998

PUBLIC UTILITIES COMMISSION,  
Initial Work Plan, Implementation  
of Electricity Retail Choice  
Consumer Education Program

ORDER OF APPROVAL

WELCH, Chairman; NUGENT, Commissioner

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**I. SUMMARY.**

In this Order, we approve the Initial Workplan for the electricity retail access consumer education program. We note that the workplan and budget are preliminary. We will conduct research in the next few months to aid us in developing a comprehensive workplan for education about itemized billing, and a final comprehensive project workplan.

**II. INTRODUCTION.**

The Maine Legislature has decided that all Maine electricity consumers shall have the right to purchase electricity generation services from competitive providers beginning on March 1, 2000, and that consumers shall be educated about these changes with a consumer education program implemented by the Commission.<sup>1</sup> The Initial Workplan we approve in this Order begins the implementation of the required education program, and has been developed pursuant to Chapter 302 of the Commission's rules, which provides the program framework.

Assisting us in our efforts to develop and implement the program are our communications contractor, NL Partners, of Portland, Maine, and the Electricity Retail Choice Consumer Education Advisory Panel (Panel), created pursuant to Chapter 302. The Panel is a broad-based group with representatives from the electricity industry, residential consumers, low income and elderly consumers, small commercial consumers, municipal consumers, and the Office of the Public Advocate. The Panel provides feedback on proposed plans and is an important source of public input.

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<sup>1</sup> During the 1997 Legislative session, the Maine Legislature enacted P.L. 1997, Chapter 316, "An Act to Restructure the State's Electric Industry," codified as Chapter 32 of Title 35-A (35-A M.R.S.A. Sections 3201-3217).

As part of development and review of this plan, we received comments from the Panel and solicited public comments in July.

### **III. DISCUSSION OF INITIAL WORKPLAN, ADVISORY PANEL FEEDBACK, AND PUBLIC COMMENT.**

In this section we address comments from the Consumer Education Advisory Panel in its July 20 report<sup>2</sup> to us, which is attached, and other public comment on the Initial Workplan received in response to the public comment period. Public commentators were John Knox, John Clark of the Houlton Water Company, and Suzanne Watson of the Maine Chamber and Business Alliance. This section provides both a summary of Panel and other public input, and our response to these issues.

Before addressing specific comments, we thank the Advisory Panel which provided important input to us in its July 20 report. We also thank public commentators for their feedback on the Initial Workplan. We note that many issues raised by the Panel and public commentators are addressed in the draft Initial Workplan we are reviewing, but we take this opportunity to speak to these issues.

**Project Funding and Budget.** The Panel believes that the current project budget of \$1.2 million, and the total authorized program funding of \$1.6 million, are modest for all that this project must accomplish. The Panel notes that as a result, as mentioned in the Initial Workplan, we must maintain a focused program and be sure that we do not create unrealistic expectations of what we can accomplish with this funding.

The Panel identifies three components which some Panel members believe may need additional funding: advertising, Regional Outreach Team, and the grant program for Community-based Organizations (CBOs). The Panel notes that some members believe funding for all three areas is insufficient.

John Knox questioned whether an education program of the scale outlined in the workplan is necessary. He suggests that it may be adequate to release a rate comparison brochure, require notice in bills of brochure availability, and ask the media to print articles and broadcast free public service announcements about retail choice. Mr. Knox further suggests that someone should conduct a cost-benefit analysis for the consumer education program, to determine whether the savings that will accrue to consumers from being well-informed and knowing how to shop wisely

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<sup>2</sup> *Input on the PUC's Initial Workplan and on Public Comment on the Workplan*, Electricity Retail Choice Consumer Education Advisory Panel, July 20, 1998.

in a competitive market are greater than the costs that may be passed on to consumers for the education program.

We believe, as did the Legislature in authorizing funding for the education program and approving our consumer education rule, that consumers will learn most effectively about retail choice from a variety of sources, using a variety of mechanisms. We believe, as did the Legislature, that for consumers to be effective participants in the competitive marketplace they must be aware of competition and how to shop wisely in a competitive market. We do not underestimate the size of the education task ahead of us, but conclude that the \$1.6 million authorized for the program, while modest, will provide adequate education.

While we feel that we can provide "adequate" consumer education, which was our charge from the Legislature, within the \$1.6 million authorization, we recognize the possibility that funding beyond the current budget of \$1.2 million may be necessary. We will identify project components that need additional funding, with the Panel's comments, as we refine the program workplan over the coming months. We welcome the Panel's and individual panelists' continued comments on these issues.

We agree with the Panel that, because of the limited budget, we must not create unrealistic expectations of what this project can accomplish. We welcome comments from the Panel on how to ensure that this does not happen.

Houlton Water Company commented during the public comment period that if competition is not implemented in Northern Maine, it does not wish to provide funding for the program. We currently have a request for a waiver from program funding requirements pending before us from the Van Buren Light and Power District, Docket No. 98-516. We will address this issue in that proceeding.

**Performance Benchmarks and Objectives.** The Panel notes that overall program performance benchmarks are important, as indicated in the Initial Workplan. John Knox made a similar comment, and noted the importance of linking the performance benchmarks with the budget, so that once specific benchmarks are set, the budget is reviewed to determine its adequacy for achieving the proposed benchmarks. Once research is conducted, we will establish benchmarks that are realistic for the limited budget for the program. We look forward to receiving additional input from the Panel on benchmarks that will be proposed, based on research, over the coming couple of months.

We also agree with the Panel and the Initial Workplan that we should consider setting specific subprogram objectives for

some or all components. For example, for the community-based outreach (CBO) component, specific performance objectives could be set for the total number of people to be reached through this subprogram, or reached by each CBO that receives a grant, or both.

**Target Audiences: Seasonal Customers.** The Panel recommends, based on public input from Houlton Water Company, that the needs of seasonal customers be addressed in the program. We agree, the needs of seasonal customers, especially those arriving for the summer, should be addressed as the program is refined.

**Research and Feedback Regions.** The Panel notes that the geographic boundaries of project research/outreach/feedback regions, when established, should be contiguous with established geographical boundaries of some sort, to ensure that regional feedback results can be used to tailor programs for specific geographic regions. The Panel suggests that some possibilities for organization of regions are along census tracts, county lines, administrative regions for selected community organizations, electric transmission and distribution utility service territories, TV markets, radio markets, newspaper markets, or in some other fashion, to allow feedback to be turned into actionable results. We ask that the Panel provide input on research/outreach/feedback regions as recommendations are made on this issue.

**Program Messages.** The Panel notes that we must keep messages simple enough so most people will understand them. Houlton Water Company, on the other hand, commented that development of messages for radio, TV and print ads and public service announcements for a 4th grade language skills level is not acceptable. They suggest that ads should be aimed at those with higher language skills levels. Our communications contractor, and others we have worked with, indicate that many educational projects aim messages at or near the 4th grade language proficiency level because many in the general public do not understand or pay attention to messages written using more advanced language proficiency levels. Based on research, messages will be delivered using language at appropriate education levels to ensure that messages are both accessible and meaningful for the variety of consumers.

**Messages by CBOs.** The Panel highlights that, as mentioned in the Initial Workplan, messages delivered by CBOs must be consistent with other program messages. We agree. We will promote consistency by training key individuals from CBOs that are awarded grants, and by providing CBOs with the same educational materials developed for the rest of the program,

except when development of specialized educational materials is justified.

**Media.** Houlton Water Company expressed concern that we are not beginning paid advertisements until four weeks before implementation of competition. The Panel noted a similar concern that funding for paid media is inadequate, and some on the Panel said that to begin advertising earlier, we should supplement the media budget. We share this concern, and note that the time to begin advertising is prior to when customers will be asked to choose. After we have concluded basic research necessary to refine the workplan, we will decide this issue.

**Call Center and Information Clearinghouse.** We share the Panel's preference that we handle "in-house" the call center and information clearinghouse. The Panel recommended that we handle these responsibilities "in-house" even if it requires that we supplement our current call handling and information provision resources from our own budget.

**Other States' Education Programs.** Suzanne Watson, Director of the Maine Environmental and Energy Center at the Maine Chamber and Business Alliance, suggested that the workplan does not reference efforts to learn about consumer education programs in other states already implementing such programs. We agree that it is important to learn from other states about methods that work well, and are actively doing so. We will be sharing this information with the Panel.

#### **IV. CONCLUSION.**

The Initial Workplan provides a solid foundation for this project, and we approve the Initial Workplan as currently written. We will refine it in the coming weeks and months, based on the research phase of the project, to address the issues in this Order. We ask the Panel to continue to provide feedback on these and any other recommendations.

Accordingly, we

#### **O R D E R**

1. That the Advisory Panel continue to provide input on the issues it feels are important, including those mentioned above;

2. That a copy of this Order and attachments be sent to the Consumer Education Advisory Panel, the service list for this docket, and all Maine electric utilities;

3. That the service list for this docket include the service list for docket 97-583, the Consumer Education Rulemaking;

4. That PUC staff post this Order, the Panel's July 20 report, and the final Initial Workplan on our website, <http://www.state.me.us/mpuc>

Dated at Augusta, Maine this 27th day of August, 1998.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: WELCH  
NUGENT

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with

the Commission stating the grounds upon which reconsideration is sought.

2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.

3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

# ***Electricity Retail Choice Consumer Education Advisory Panel***

c/o Maine Public Utilities Commission, 242 State St., Augusta, ME 04333-0018

## **Input on the PUC's Initial Workplan and on Public Comment on the Workplan July 20, 1998**

We provide this input on the PUC's Initial Workplan, and our recommendations on public comments on it, for the Commission to consider as it reviews and approves the Initial Workplan.

We support the Initial Workplan, and believe it provides a solid foundation for the education program. We highlight that the Initial Workplan and budget are preliminary. We expect to have additional feedback on many aspects of the program as more detailed plans are developed, based among other things on research that will be conducted over the coming months.

### **Initial Workplan**

We have the following input on the workplan:

- **Project Funding.** The current project budget of \$1.2 million, and even the total program authorization of \$1.6 million, are modest for all that this project must accomplish. As a result, as mentioned in the Initial Workplan, the Commission must work hard to maintain a focused program, and be sure that it does not create unrealistic expectations of what it can accomplish with this funding. The Commission should take advantage of ways to leverage this funding with resources from other areas. We expect to provide additional input on the budget over the coming months to identify areas that may require supplemental funding, whether through increasing the overall budget, or reallocating funding between program components.
- **Inadequate Funding for Three Components?** We have already identified three components that may need additional funding: (1) Advertising; (2) Regional Outreach Team; and (3) the grant program for Community-based Organizations (CBOs). Some of us believe that funding for one, two, or all three of these components is insufficient.

While funding for the three Regional Representatives has been increased from \$50,000 to \$70,000 based on our input, and to provide some additional salary funding and to directly reflect expenses that will be incurred by these reps, even this additional funding may not be enough. The Commission should not expect that these representatives will be "donating"



any of their time, and should plan to pay them for all time they need to work on the project. We may therefore suggest further funding for the Regional Representatives.

We have not yet developed a final recommendation on which category or categories be given supplemental or reallocated funding, if any. We will provide more feedback after reviewing more detailed cost estimates for these components in the coming months.

- Performance Benchmarks/Sub-program Objectives. We agree, as indicated in the Initial Workplan, that overall program performance benchmarks are important, and look forward to providing input on benchmarks based on research over the coming couple of months.

We also suggest that, as indicated in the Initial Workplan, the Commission consider setting specific subprogram objectives. For example, for the CBO outreach component, specific performance objectives could be set for the total number of people to be reached through this subprogram, or reached by each CBO that receives a grant, or both.

- Research/Feedback/Outreach Regions. While no specific recommendation has been made yet for the geographic boundaries of project research/feedback regions, we recommend that these regions be set up contiguous with established geographical boundaries of some sort, to make the most of program regions, either through use of data that already exists for them, or through the ability to use regional feedback results to make program modifications tailored to specific geographic regions. Some possibilities for organization of regions are that they be contiguous with census tracts, county lines, administrative regions for selected community organizations, electric transmission and distribution utility service territories, TV markets, radio markets, newspaper markets, or in some other fashion, to allow feedback to be turned into actionable results.
- Outreach by CBOs. Messages delivered by CBOs must be consistent with overall program messages. As mentioned in the Initial Workplan, we recommend that you ensure consistency through the training of key individuals from CBOs that are awarded grants, and the use by CBOs of the same program educational materials developed for the rest of the program, except when specialized educational materials are justified.
- Messages. As mentioned in the Initial Workplan, the Commission must keep messages simple enough so most people will understand them, and not flood the market with messages, especially given the limited funding that's available for delivering them. To some of us, the list of messages in the Initial Workplan appears ambitious, although we understand that different messages will be delivered in different phases, and using whatever mechanisms are most appropriate for delivering those messages. We expect we'll have additional input on messages once specific ones begin to be developed.
- Call Center and Information Clearinghouse. We agree with the Commission's preference for handling the call center in-house, even if it means the Commission must supplement the current resources devoted to call handling, and do so from within its own budget.

- Utility Partners. We recommend that the Commission work closely with electric utilities to ensure that messages are coordinated and to leverage resources, such as call centers. The PUC and utilities should also develop a shared vocabulary to use with consumers.
- Program extension. We recommend that as project planning continues the Commission consider how it will provide the educational support necessary after the anticipated conclusion of the formal program in Sept. 2000. Education on a change of this magnitude should really be a continuing educational effort. At a minimum, the Commission must maintain the call center, information clearinghouse, and the website.

While some funding remains in the \$1.6 million authorization that could provide for program extension for a few months, the Commission should consider how it will provide for educational needs even beyond this point.

### **Public Input**

We have reviewed the public input received on the Initial Workplan, and have the following recommendation.

- Seasonal customers. Per a comment from Houlton Water Company, we recommend that the issue of the education of seasonal customers be considered as the workplan is refined.